

CULTURAL ENDOWMENT FUND

State Investment Board Balance Sheet As of 9/30/2008

	As of <u>9-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 110,440	\$ 116,671
INTERNATIONAL EQUITIES	22,382	25,632
DOMESTIC FIXED INCOME	95,443	104,429
REAL ESTATE	13,313	13,979
INVESTED CASH (NOTE 1)	<u>8,154</u>	<u>8,447</u>
 TOTAL INVESTMENTS	 249,732	 269,158
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	12	35
MISCELLANEOUS RECEIVABLE	<u>0</u>	<u>0</u>
 TOTAL RECEIVABLES	 12	 35
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	5,317	6,303
OPERATING CASH	<u>48</u>	<u>152</u>
 TOTAL ASSETS	 <u>\$ 255,109</u>	 <u>\$ 275,648</u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	5,317	6,303
ACCOUNTS PAYABLE	1	2
ACCRUED EXPENSES	3	3
INVESTMENT EXPENSE PAYABLE	<u>354</u>	<u>354</u>
 TOTAL LIABILITIES	 5,675	 6,662
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	268,986	274,568
CASH IN DURING YEAR (NOTE 3)	0	16,500
CASH OUT DURING YEAR (NOTE 4)	0	0
NET INCREASE (DECREASE)	<u>(19,552)</u>	<u>(22,082)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>249,434</u>	 <u>268,986</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 255,109</u>	 <u>\$ 275,648</u>

CULTURAL ENDOWMENT FUND

State Investment Board Profit and Loss Statement For the Month Ended 9/30/2008

	Month Ended <u>9-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 705	\$ 2,067
SECURITIES LENDING INCOME	13	44
	<u>718</u>	<u>2,111</u>
 GAIN ON SALE OF INVESTMENTS	 7,960	 17,835
LOSS ON SALE OF INVESTMENTS	<u>9,905</u>	<u>20,373</u>
 NET GAINS (LOSSES) INVESTMENTS	 (1,945)	 (2,538)
 INVESTMENT EXPENSES	 4	 365
SECURITIES LENDING EXPENSES	8	27
 NET INVESTMENT INCOME	 (1,239)	 (819)
 NET APPREC (DEPREC) MARKET VALUE	 (16,519)	 (18,627)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(1)</u>	<u>(3)</u>
 TOTAL INVESTMENT INCOME	 <u>(17,759)</u>	 <u>(19,449)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	99	103
 NET INCREASE (DECREASE)	 <u>\$ (17,858)</u>	 <u>\$ (19,552)</u>

CULTURAL ENDOWMENT FUND
Notes To Financial Statements
September 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.